



SISLER-MAGGARD ENGINEERING, PLLC

220 EAST REYNOLDS ROAD, SUITE A3

LEXINGTON, KY 40517

(859) 271-2978

Fax (859) 271-5670

Email: sme@sislermaggard.com

December 7, 2017

RECEIVED

DEC 12 2017

PUBLIC SERVICE
COMMISSION

Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602

Attn: Jeff Derouen, Executive Director

**In re: North Manchester Water Association Rate Increase
Via City of Manchester wholesale rate increase**

Dear Mr Derouen:

The North Manchester Water Association has been notified that the City of Manchester has requested a water rate increase. (Exhibit 1) As presented, the wholesale purchase rate will increase from \$1.50/1000 gallons to \$2.00/1000 gallons. Therefore, we are requesting a \$0.50/1000 gallons rate increase to keep up with our water purchase increase. (Exhibit 2, 3) We also have a water adjustment procedure in our tariff, we are requesting a \$0.50/1000 gallons increase for the adjustment as well. The current adjustment amount is \$2.00/1000 gallons therefore, the new adjustment amount will be \$2.50/1000 gallons. (Exhibit 4)

Please find attached PSC Purchased Water Adjustment Form1 with exhibits 1,2,3,4.

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads 'Michael K. Maggard'. The signature is fluid and cursive.

Michael K. Maggard
Vice President

MKM/td


PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND WATER ASSOCIATIONS
(807 KAR 5:068)

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DEC 12 2017

PUBLIC SERVICE
COMMISSION

Name of Utility	North Manchester Water Association		
Date	October 10, 2017		
Address	7361 North Highway 421		
City, State, Zip	Manchester KY 40962		
Telephone Number	606 598 5403		
Email Address	water.company@windstream.net		
1. a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.			
	Supplier(s)	Base Rate	Changed Rate
	City of Manchester	\$1.50	\$2.00
1. b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit Number 1			
2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).			
From	October 2016	through	September 2017
	(month and year)		(month and year)
3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.			

Supplier(s)	Gallons Purchased during 12 month period
City of Manchester	187,661,400
TOTAL PURCHASES	187,661,400
4. Total gallons sold for the 12 month period	103,257,285
5. Increased water cost	\$0.50 / 1000 gal
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit	
6. Purchased water adjustment factor	0.50 / 103,257,285 =
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice.	
7. A schedule listing the current and proposed rates is attached as Exhibit Number 2	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit Number 3	
9. Proposed effective date January 1, 2018	
	
Signature of Utility Officer	
President	
Title	

1

Manchester Rate Ordinance

2

NMWA Proposed Rates

3

NMWA meeting Minutes

4

NMWA Water Loss Adjustment

5

EXHIBIT 1
AN ORDINANCE
OF THE CITY OF MANACHESTER
Ordinance Number: 2017.013

AN ORDINANCE AMENDING THE RATES FOR THE USE OF THE MUNICIPAL
WATER WORKS SYSTEM OF THE CITY OF MANCHESTER

WHEREAS, it has been determined that mandatory State regulations, and the rising costs to maintain the City of Manchester's existing water system, and to provide continued water quality, necessary flow, and pressure necessitates the City raise water rates.

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF MANCHESTER that the water rate ordinance of the City of Manchester by and hereby amended to the following:

SECTION 1.

North Manchester Water Association
Water Rates

All usage	\$2.00 per 1,000 gallons
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SECTION 2.

This Ordinance shall be in full force and effect upon its passage, approval and publication in accordance with applicable law.

Received 1st reading 09.18.17

Received 2nd reading 09.25.2017

Publication date: 09.27.2017

Signed this 25 day of September, 2017

James Garrison, Mayor

Mamie Smith, City Clerk

EXHIBIT 2

PROPOSED RATE SCHEDULE

NORTH MANCHESTER WATER ASSOCIATION

WX21051202

Waterline Extension and Line upgrade Project

PROPOSED RATE SCHEDULE – 1/1/2018

GALLONAGE BLOCK FOR EACH METER SIZE	MONTHLY RATE FOR EACH GALLONAGE BLOCK (PROPOSED)	RATE (EXISTING)
<u>5/8 inch x 3/4 inch Meter</u>		
First 2,000 gallons	\$ 20.80 (Minimum Bill)	\$ 19.80 (Minimum Bill)
All Over 2,000 gallons	\$ 5.82 per 1,000 gallons	\$ 5.32 per 1,000 gallons
<u>1 inch Meter</u>		
First 5,000 gallons	\$ 36.76 (Minimum Bill)	\$ 35.71 (Minimum Bill)
All Over 5,000 gallons	\$ 5.82 per 1,000 gallons	\$ 5.32 per 1,000 gallons
<u>2 inch Meter</u>		
First 15,000 gallons	\$ 89.96 (Minimum Bill)	\$ 88.79 (Minimum Bill)
All Over 15,000 gallons	\$ 5.82 per 1,000 gallons	\$ 5.32 per 1,000 gallons
<u>3 inch Meter</u>		
First 30,000 gallons	\$ 169.76 (Minimum Bill)	\$ 168.42 (Minimum Bill)
All Over 30,000 gallons	\$ 5.82 per 1,000 gallons	\$ 5.32 per 1,000 gallons

EXHIBIT 3

North Manchester Water Association, Inc.

7361 North Highway 421

Manchester, KY 40962

Phone: (606) 598-5403

Regular Scheduled Meeting

August 8, 2017

Members Present: Bobby Wolfe, Jimmy Lewis, Steve Davis, Luke Mathis, Brian Hooker, and Johnny Johnson

Meeting was called to order by Johnny Johnson.

New Business:

Mike White, Water Superintendent for the City of Manchester was in attendance to present a rate increase proposal for water purchased from the City of Manchester. Rate increase proposal was for \$0.50 per thousand gallons making the total purchase price from the City to \$2.00 per thousand gallons, from the present price of \$1.50 per thousand.

Discussion followed.

Luke Mathis made a motion to accept rate increase proposal

Johnny Johnson seconded motion.

Board Voted to except proposal even though NMWA has a contract until 2043 at the rate \$1.50. Upon approval the City of Manchester was contacted that NMWA had agreed to the rate increase.

Motion made by Luke Mathis, Seconded by Brian Hooker to allow the president to sign all grant documents. All present voted in favor to allow the president to sign all grant documents on behalf of North Manchester Water Association.

Old business read

Meeting moved into Executive Session.

Meeting adjourned at 9PM.

